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UNITED NATIONS COMMON SYSTEM: REPORT OF THE INTERNATIONAL
CIVIL SERVICE COMMISSION

Comments by the Federation of International Civil
Servants' Associations

Note by the Secretary-General

The Secretary-General transmits herewith for consideration by the Fifth Committee a document submitted by the Federation of International Civil Servants' Associations (FICSA). This document has been presented pursuant to the provisions of paragraph 2 (b) of General Assembly resolution 35/213 of 17 December 1980, whereby the General Assembly reiterated its readiness "to receive and consider fully the views of the staff as set out by a designated representative of the Federation of International Civil Servants' Associations in a document submitted through the Secretary-General under the agenda item entitled 'Report of the International Civil Service Commission'".

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Summary of the main FICSA recommendations

A. ICSC recommendations calling for decisions by the General Assembly (paras. 1 to 15)

1. ICSC to revert to level of Professional salaries in 1985.
2. ICSC to undertake early review of working of long service step scheme.
3. General Assembly to decide that 5.4 per cent adjustment to Professional pensionable remuneration due on 1 October 1984 should be applied.
4. ICSC to pursue its studies concerning new approach for determining Professional pensionable remuneration.
5. Full protection to be afforded to acquired rights of serving staff, as stipulated in article 49(b) of the Regulations of the United Nations Joint Staff Pension Fund.
6. Actuarial impact of proposed new scale of Professional pensionable remuneration to be studied in depth.

B. Security of staff of the common system (paras. 16 and 17)

1. Secretary-General to be invited, in his capacity as Chairman of ACC, to report to present session of General Assembly on implementation by various organizations of security measures approved by ACC, and to include such reports in all future submissions to General Assembly.
2. Organizations to be urged to take immediate steps to guarantee full residential protection for staff in high crime field duty stations.

C. The ICSC - a review of 10 years of operation (paras. 18 to 26)

1. ICSC to devote particular attention to needs of General Service and women staff in 1985.
2. ICSC to be urged to pursue and expand its work on the establishment of a rational framework for the determination of field benefits and entitlements.

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D. The role of the General Assembly in the common system
(paras. 27 to 30)

1. General Assembly to reaffirm vital importance of an independent Commission.
2. General Assembly to reassert provisions of resolution 37/126, section V, regarding need to preserve central role of ICSC and to avoid duplication of effort.
3. General Assembly to urge all organizations to act upon decisions and recommendations of ICSC.

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On behalf of the great majority of staff members serving throughout the United Nations common system, the Federation of International Civil Servants' Associations (FICSA) expresses its appreciation to the Fifth Committee of the United Nations General Assembly for having the opportunity, as has become established practice, to submit the collective views of the staff in the organizations of the common system on the report of the International Civil Service Commission (ICSC).

A. ICSC RECOMMENDATIONS CALLING FOR DECISIONS BY THE
GENERAL ASSEMBLY

1. Review of the basis and level of remuneration of the
Professional and higher categories

1. In resolution 37/126, section II, paragraph 4, the General Assembly requested the Commission "to review further the basis for the determination and level of remuneration of the Professional and higher categories, with a view to making recommendations thereon to the General Assembly at its thirty-ninth session, and thereafter periodically on the level of remuneration".

2. FICSA is deeply disappointed at the outcome of this review which did not take into account fully all facts which are of relevance under the Noblemaire principle. In particular, the Commission did not give due consideration to the special rate programme in the United States Federal Civil Service. About 40 per cent of United States civil servants are no longer paid according to the General Schedule scale, which serves as the basis of comparison with the United Nations, but according to a special rate programme which provides for higher salaries. Although aware that the executive heads of the common system organizations unanimously supported FICSA's call for a base salary increase, the Commission postponed the question once again "in view of the current incomplete information before the Commission on the special rate programme and other pay systems of the United States Government". FICSA will ask the Commission to take up the matter again in 1985 and make an in-depth analysis of these different pay systems with a view to finally acting upon the Federation's long-standing request for a 10 per cent adjustment in Professional base salaries.

2. Long service step

3. While FICSA appreciates that, after several years of study, a recommendation has been forthcoming on this subject, the Federation must express its disappointment at the meagre result. The granting of only one additional step after 20 years of service and five years at the top of the grade will bring limited relief to very few staff. The criteria proposed by FICSA, i.e. up to three additional steps, after 15 years of service and three years at the top of the grade, would have been a more realistic approach to a problem

besetting many organizations and would have been in harmony with those schemes which have already long been, and will continue to be, in existence. Budgetary constraints, stagnation in growth and rigid job classification systems are all combining to restrict career development throughout the common system.

4. FICSA will therefore request the Commission to review this issue at an early date.

3. Pensionable remuneration and pension entitlements

Deferment of adjustment due in 1984

5. Even before the General Assembly adopted resolution 38/233, FICSA made it absolutely clear that section III, paragraphs 4 and 5 of that resolution were of doubtful legal validity and would certainly be challenged if adopted. In due course, FICSA obtained a legal opinion on the validity of the controversial parts of the resolution. The conclusions of that opinion may be summarized as follows:

- Since the decision to defer any adjustment of pensionable remuneration of the Professional and higher categories does not constitute an amendment to the Regulations of the United Nations Joint Staff Pension Fund, as defined in those Regulations, and since the Regulations are still in force, the General Assembly remains bound by all their provisions, including that relating to the automatic adjustment of pensionable remuneration. Any decision to render a particular rule inoperative is a patent violation of the general principle of law whereby any authority is bound by its own rules for so long as it has neither abrogated nor modified them;
- The resolution is liable to produce a breakdown of the common system since the General Assembly did not avail itself of the consultation mechanism provided for in the Regulations of the joint Fund. That mechanism is intended to allow all parties concerned in all organizations participating in the Fund to express their view on any proposed amendment to the Regulations.

6. At this juncture, FICSA can only endorse the previous exhortation of the General Assembly to the organizations that they "refrain from actions which do not contribute to the strengthening and development of the common system". ^{1/} The decision of the General Assembly to defer any adjustment of pensionable remuneration in 1984 would seem to go against the spirit of that resolution.

^{1/} Resolution 33/119.

7. The FICSA legal opinion was submitted to the Administrative Committee on Co-ordination (ACC) in April 1984. ACC subsequently decided also to seek legal advice on resolution 38/233. The overwhelming majority of common system organizations participating in the Fund concluded that they had no option but to apply the 5.4 per cent adjustment which became due on 1 October 1984 in accordance with the Regulations of the Fund and their own staff regulations.

8. FICSA therefore requests the General Assembly to make it possible for all organizations to apply the adjustment to pensionable remuneration which is now due. The ICSC and the Pension Board share the view that this adjustment should be implemented.

Pensionable remuneration for the Professional and higher categories

9. In response to the request contained in section III, paragraph 2 of resolution 38/233, the ICSC is submitting recommendations to the General Assembly on the appropriate level of pensionable remuneration for the Professional and higher categories. These recommendations do not have the support of FICSA.

10. The scale proposed by the ICSC, and with which the Pension Board has concurred, albeit subject to a series of technical refinements, is based on an entirely new approach which establishes a direct link between pension benefits in the United Nations system and those in the United States Federal Civil Service. This new approach was introduced at a very late stage in the Commission's twentieth session, and not only FICSA but also the Consultative Committee on Administrative Questions stated that they had not had time to examine the proposals in depth.

11. The approach suffers from a number of major defects, and the establishment of a direct link with pension benefits in the comparator civil service does not seem at all appropriate. There are fundamental differences in the nature of the two schemes and the two populations. Whereas the United Nations scheme is fully funded, the United States scheme is only partially funded, any shortfall in contributions being regularly made up from the federal budget. Federal civil servants are recruited only in the United States and serve only there. The average age of recruitment is much lower and the average length of service much longer in the Federal Civil Service than in the United Nations system. If federal civil servants are required to serve abroad, they join a more generous retirement system. Direct equivalences cannot be drawn between two such fundamentally differing systems. To take the difference in average length of service alone, if proper allowance were made for the fact that a staff member on the United Nations side serves less than 20 years before retiring, whereas his/her United States counterpart serves 27 years on average, the current scale of pensionable remuneration should be increased for all grades. This difference in average length of service results from the differences in personnel policy in the two systems and is not a choice of the staff member.

12. In view of the substantial shortcomings of the approach proposed by the ICSC, FICSA would request the General Assembly to invite the Commission to pursue its studies with a view to establishing an equitable level of pensionable remuneration.

13. As in the case of all adverse changes in conditions of service, the need to protect a staff member's acquired rights is paramount and has been consistently recognized by the General Assembly. An appropriate provision has been incorporated in the Regulations of the United Nations Joint Staff Pension Fund. Desirous of protecting acquired rights, the ICSC recommends that, for staff in service prior to 1 January 1985, the current scale should continue to apply until overtaken by the new scale. This recommendation does not, however, afford full protection to rights to benefits acquired through contributory service prior to 31 December 1984, as required by article 49(b) of the Regulations of the Fund. FICSA would therefore request the General Assembly to give this aspect all due consideration when formulating its resolution on the report of the ICSC.

14. Increases in pensionable remuneration are not a cause of the present actuarial deficit of the Pension Fund. This point is made quite clear in a recent independent study commissioned by FICSA which demonstrates that, in the two-year period from 31 December 1980 to 31 December 1982, the deficit was actually reduced by adjustments in pensionable remuneration. The results of this independent study have been made available to all Member State delegations.

15. The scale proposed by the ICSC implies savings of some \$US 7 million per year for the organizations through reduced contributions. However, the Fund will be losing not only employers' but also participants' contributions as well as the interest thereon. The resulting impact on the actuarial situation can hardly be favourable and should be viewed with concern not only by the General Assembly but also by present and future pensioners. The General Assembly should request the Board to make an in-depth study of the actuarial impact of the proposed scale.

B. SECURITY OF STAFF OF THE COMMON SYSTEM

16. FICSA has noted with great appreciation the many resolutions which the General Assembly has adopted on this vital subject. In its submission to the Fifth Committee last year, FICSA drew attention to the wide-ranging measures adopted by ACC. Those organizations that have fully implemented the measures have been able to deal with all cases of arrest and detention in conformity with the Convention on Privileges and Immunities and to the satisfaction of the Governments concerned. Regrettably, compliance with these decisions has not been uniform across the system.

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Accordingly, FICSA requests the General Assembly to invite the Secretary-General, in his capacity as Chairman of ACC, to provide a report at this session on the measures undertaken by the different organizations of the common system pursuant to the decisions of ACC and to include such information in his written report to the General Assembly at all future sessions.

17. Another security issue which is giving rise to considerable concern is the failure of the common system to take adequate measures for the residential protection of the staff in high crime field duty stations. Almost invariably, these measures are either substantially inferior to those provided by other employers of expatriate staff at the duty station or, in a large number of cases, are simply non-existent. FICSA would request the General Assembly to urge the organizations to take immediate steps to guarantee full residential protection for their staff in high crime field duty stations.

C. THE ICSC - A REVIEW OF 10 YEARS OF OPERATION

18. Having begun to function in 1975, the Commission is submitting its tenth annual report to the General Assembly. It is an appropriate juncture to review the Commission's work over the past 10 years and to consider improvements for the future.

19. In order to avoid the unfortunate experience of previous salary review bodies, the statute of the Commission was the subject of extensive consultations with staff representatives and organizations over several years, culminating in the eventual acceptance of the statute by the governing bodies of 12 common system organizations. The same painstaking consultation procedure would have to be followed, should any amendment to the statute ever be proposed. The ICSC has acknowledged the importance of these prior consultations in paragraph 233 of its present report.

20. Experience has shown that the work of the Commission has been facilitated in those areas where a truly tripartite approach has been adopted: examples include the review of difficult field duty stations, the elaboration of a general methodology for General Service salary surveys in non-headquarters duty stations and, to some degree, the recent critical review of post adjustment surveys by all parties concerned. This underscores the importance and value of active participation in the work of the Commission at all stages by both the staff and the administrations.

21. The Commission was established by the General Assembly "for the regulation and co-ordination of the conditions of service of the United Nations common system". In exercising its statutory role of regulation and co-ordination at the common system level, the ICSC must nevertheless take into account the different needs of each participating organization. The agreements between the United Nations and the other organizations concerning co-ordination in

personnel matters invariably make reference to the need to preserve flexibility, to remain within the bounds of feasibility and to avoid unjustified differences. The ICSC should not seek to impose rigid uniformity in every respect upon the participating organizations, for justified differences are bound to, and must be allowed to, exist at the local level. The diversity and autonomy of the participating organizations have been recognized and should be preserved.

22. When the Commission began its work, it saw as its first goal the review and elimination of anomalies and inconsistencies in the common system of salaries and allowances. While the Commission has examined the various elements making up conditions of service, including the total compensation comparison with the United States Federal Civil Service, it has yet to complete its comprehensive review. It has to be recognized that the Commission has often had to execute a heavy programme under very tight time constraints. The General Assembly has requested the Commission to make urgent reviews of a number of important issues in recent years, the most recent example being that of pensionable remuneration for Professional staff.

23. Many delicate and highly technical studies, for instance the review of the post adjustment system and the recent cost-of-living surveys, have been carried out by the Commission and its secretariat. The classification of duty stations for the purpose of applying post adjustments is indeed an area where the technical skills of the ICSC and its secretariat play a vital role. The equalization of purchasing power throughout the world requires a post adjustment system which operates in an efficient and timely manner. Given the complex, inter-organizational nature of the system, under which more than 170 duty stations are classified, and given the continual fluctuations in rates of exchange and soaring inflation, the decision to vest the Commission with the authority to maintain the system has proven a prudent one and an essential ingredient in the regulation and co-ordination of common conditions of service.

24. An area where the Commission has consistently sought to break down the barriers to progress is that of personnel policies, including human resources planning, security of tenure, career development, recruitment, training and promotion. FICSA deeply regrets that numerous organizations of the common system have not seen fit to implement many of the recommendations of the Commission in this area, thus delaying urgently needed reforms and compromising the efficiency and effectiveness of programmes.

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25. While FICSA appreciates the Commission's work in the area of personnel policies, it is felt that two groups of staff have not received the attention they deserve, namely women and General Service staff. An excellent opportunity to devote particular efforts to these two groups is provided in the work programme for 1985 under such headings as proper recruitment measures, the development of recruitment sources and skills inventories.

26. Three decisions taken by the Commission in 1984 and affecting field staff call for particular comment by FICSA. Firstly, although the new methodology for General Service salary surveys for non-headquarters duty stations does not entirely meet with the approval of FICSA, it is hoped that it will fulfil its primary objective of providing equitable salary scales in an administratively simple way. Secondly, FICSA welcomes the approval by the Commission of some considerable revision in the scheme for classifying duty stations according to the conditions of life and work. The cost to the organizations of this modest scheme is but a drop in the ocean when compared to the losses that have been incurred on individual programmes due to inadequate field entitlements and consequent delays in recruitment. Lastly, the decision by the ICSC at its twentieth session to establish a tripartite working group to recommend a rational framework for the determination of field benefits and entitlements is of paramount importance. FICSA trusts that the General Assembly will encourage the ICSC to continue and expand this important aspect of its mandate.

D. THE ROLE OF THE GENERAL ASSEMBLY IN THE COMMON SYSTEM

27. Several elements constantly recur in the resolutions of the General Assembly on the reports of the ICSC which testify to the concern of the Member States to preserve and enhance the role of the Commission. Firstly, the General Assembly consistently reaffirms the central role of the Commission within the common system in the development of a single, unified, international civil service through the application of common personnel standards and arrangements. In this context, the events leading up to the adoption of resolution 38/233 on the report of the United Nations Joint Staff Pension Board have given rise to much disquiet in all corners of the common system. At its nineteenth session, the Commission joined FICSA in expressing concern ^{1/} at the way in which common system issues had been handled in the General Assembly of the United Nations. The representatives of the parties directly affected by the proposals had not been allowed to convey their views for consideration prior to the adoption of the draft resolution.

^{1/} ICSC/19/R.22, paragraph 21.

28. Secondly, the General Assembly repeatedly reasserts the need to preserve the independence of the Commission: resolution 38/232, section I, paragraph 4, again makes reference to this particular element. The decisions by the General Assembly on common system issues should not be taken in such a way as to threaten the independent role of the Commission. Resolution 38/232, section II, paragraph 1, was interpreted by many as an indirect attempt to prevent the members of the ICSC from performing "their functions in full independence and with impartiality". 1/ Events at the twentieth session of the ICSC showed that the members of the Commission were encountering increasing difficulty in maintaining their independent role. FICSA is confident that the General Assembly will wish to reassert the vital importance of an independent Commission.

29. A third element which recurs in the resolutions of the General Assembly is the importance it attaches to the implementation of the decisions and recommendations adopted by the Commission in accordance with its statute, the latest example being resolution 38/232, section I, paragraph 1. It has been noted in paragraph 24 above that some major recommendations are still awaiting implementation by the organizations.

30. A fourth and final element which deserves close attention and which is the subject of section V in resolution 37/126 is the need to avoid duplication of effort, particularly at a time when efficiency and effectiveness are the watchwords. In adopting that resolution, the General Assembly requested "all bodies making proposals for action on personnel matters affecting the United Nations common system to co-ordinate those proposals closely with the ICSC, which shall give its recommendations thereon to the General Assembly". A recent report 2/ by two inspectors from the Joint Inspection Unit (JIU) contains observations and recommendations that clearly fall into that category. The report should first be referred to the ICSC for consideration in consultation with the staff and administrations before any further discussion takes place. The common system issues raised in that report are a duplication of issues for which solutions have already been found by the ICSC and, where appropriate, endorsed by the General Assembly. It is regrettable that the JIU - a subsidiary organ of the General Assembly and other legislative bodies - should issue a report so replete with errors, inconsistencies, selective quotations, misinterpretations and unsubstantiated conclusions.

1/ ICSC statute, article 6.1.

2/ JIU/REP/84/12, "Staff costs and some aspects of utilization of human and financial resources in the United Nations Secretariat".